

July 31, 2006

**VIA ELECTRONIC FILING**  
**AND REGULAR MAIL**

Public Service Commission  
Docketing Department  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: Docket Number 2006-37-C

Dear Ladies and Gentlemen:

Enclosed please find Comments by my client, Alltel Communications, Inc., in response to the Public Service Commission of South Carolina's (the "Commission") Notice of Drafting dated May 9, 2006, wherein the Commission invited comments from interested parties in connection with the development of regulations and standards for designating and certifying ETCs for federal universal service fund support in South Carolina.

A copy of this correspondence will be electronically filed this afternoon with an original hard copy being mailed to your offices. A hard copy will also be hand-delivered to Nanette S. Edwards, Esq. as counsel to the Office of Regulatory Staff, a party of record in all filings before the Commission, pursuant to S.C. Code Ann. § 58-4-10.

Very truly yours,

*Burnie*

Burnet R. Maybank, III

cc: Nanette S. Edwards, Esq. (hand-delivery)  
Steve R. Mowery  
Bill Craigle

**BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**DOCKET NO. 2006-37-C**

**COMMENTS BY**  
**ALLTEL COMMUNICATIONS, INC.**

On January 9, 2006, the Office of Regulatory Staff ("ORS") filed a petition asking the Public Service Commission of South Carolina ("Commission") to initiate a rule-making proceeding to determine whether multiple Eligible Telecommunications Carriers ("ETCs") should be authorized and to develop a single set of eligibility standards for ETC designation. On January 31, 2006, in Order No. 2006-71, the Commission granted the ORS's Petition. The Commission held that a rule-making proceeding should be scheduled to examine the requirements and standards to be used by the Commission when evaluating applications for ETC status and when making annual certification of ETC compliance to the Federal Communications Commission ("FCC"). On May 9, 2006, the Commission provided a Notice of Drafting ("Notice"), indicating that the Commission proposes to issue new regulations governing requirements and standards to be used by the Commission for evaluating applications for designation as an ETC and making annual certification of ETC compliance with the FCC. The Commission invited interested parties to submit comments regarding this proposal in this proceeding.

Alltel Communications, Inc. ("Alltel") provides the following comments in response to the Notice in order to aid the Commission in developing appropriate regulations and standards for designating and certifying ETCs for federal universal service fund ("USF") support in South Carolina. Alltel will demonstrate in these

comments that the citizens of South Carolina can and deserve to benefit from the designation of qualified competitive ETCs for federal USF support and that the Commission should adopt regulations and standards that are consistent with those adopted by the FCC in its March 17, 2005, universal service order,<sup>1</sup> with limited modification.

**The Commission Should Designate Additional Qualified ETCs in South Carolina.**

In its Universal Service Order, the FCC established requirements to be met by carriers seeking to be designated as ETCs and encouraged state commissions to adopt these same requirements when deciding whether a carrier should be designated as an ETC.<sup>2</sup> Most of these requirements are fairly straightforward and can easily be determined by the Commission in any designation proceeding. One of the key requirements included is the determination of whether or not such designation serves the public interest. This issue goes directly to the Commission's stated purpose in this proceeding of determining whether multiple ETCs should be authorized in South Carolina. The FCC's public interest evaluation criteria includes 1) the benefits of increased consumer choice; 2) the impact of the designation on the federal fund; and 3) the unique advantages and disadvantages of the competitor's service offering.<sup>3</sup> By following these criteria, the Commission will find that multiple ETC designations in South Carolina will serve the public interest.

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<sup>1</sup> *In the Matter of Federal-State Joint Board on Universal Service*, Report and Order, CC Docket 96-45 (rel. March 17, 2005). ("Universal Service Order")

<sup>2</sup> Universal Service Order at ¶ 1.

<sup>3</sup> Universal Service Order at ¶ 18.

Designation of competitive ETCs will serve the public interest by providing consumers with greater access to the advantages and benefits of unique service offerings. Some of the consumer benefits that would result from the designation of competitive ETCs include:

- availability of mobility for communications;
- availability of expanded local calling areas;
- the offering of a choice of services, features and pricing that best meet individual consumer needs;
- availability of a wireless lifeline option for low-income consumers;
- the economic, health and safety benefits associated with the availability of wireless service in rural areas;
- the availability of wireless and enhanced telecommunications services in rural and high-cost areas at costs comparable to those available in urban areas;

### Mobility

Mobility is a very real benefit to many consumers. There are times when wired telephones simply do not meet the needs of today's mobile society. The availability of mobile wireless service provides consumers with greater access to communication and emergency services that are especially important in rural areas.

The FCC recognized the benefits of expanded access to mobile telecommunications services in rural areas in its Virginia Cellular designation order:

Virginia Cellular's universal service offering will provide benefits to customers in situations where they do not have access to a wireline telephone. For instance, Virginia Cellular has committed to serve residences to the extent that they do not have access to the public switched network through the incumbent telephone company. Also, the mobility of Virginia Cellular's wireless service will provide other benefits to consumers. For example, the mobility of telecommunications assists consumers in rural areas who often must drive significant distances to

places of employment, stores, schools, and other critical community locations. In addition, the availability of a wireless universal service offering provides access to emergency services that can mitigate the unique risks of geographic isolation associated with living in rural communities...<sup>4</sup>

Encouraging the expansion of mobile wireless service into rural areas improves the effectiveness of E-911 availability, another very important consumer safety issue. There are many situations where accidents occur in remote areas where a wireline phone is simply not available. Encouraging the expansion of mobile services through the ETC process will benefit consumers in these situations and save lives.

The importance of mobility to consumers is clear, as there are now more wireless subscribers in the nation than wireline subscribers.<sup>5</sup> The FCC and other state commissions have also recognized the importance of wireless universal service benefits. As of March 31, 2006 there were 249 competitive ETCs designated by state commissions and the FCC in 40 states that are eligible for receipt of federal universal service support based upon the provision of mobile service (*e.g.*, CMRS).<sup>6</sup>

#### Expanded Local Calling Areas

Wireless ETCs generally provide subscribers with significantly expanded local calling areas. For example, Alltel's smallest local calling area for South Carolina subscribers includes the entire states of South Carolina and North Carolina combined. Consumers in rural areas where wireless ETCs are designated will benefit from having

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<sup>4</sup> *In the Matter of Federal-State Joint Board on Universal Service, Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier In the Commonwealth of Virginia*, CC Docket No. 96-45, *Memorandum Opinion and Order*, FCC 03-338, ¶ 29 (rel. Jan. 22, 2004) ("*Virginia Cellular*")

<sup>5</sup> See FCC Local Competition Report, Issued - July 2005.

access to these expanded local calling areas. This provides consumers the benefit of calling outside their wireline local calling area without incurring toll charges, often resulting in significant savings for subscribers. While these benefits are broadly available in urban areas today, they are less available in the rural / high-cost areas of South Carolina. These benefits can be extended to more rural / high-cost areas with federal USF support that can be made available to additional ETCs designated by the Commission.

#### Expanded Consumer Choice

The FCC listed the benefits of increased consumer choice as a key factor in its public interest analysis.<sup>7</sup> The designation of competitive ETCs will increase consumer choice by providing new competitive alternatives to consumers. Because the competitive ETCs will be providing services consistent with the federal universal service requirements, their designation will allow consumers who presently have little or no choice with regard to service providers and limited choices of service offerings the option of choosing from additional providers and services.

Wireless technology and networks have been rapidly deployed in the past 15 years. Simple economics has caused this to occur more broadly in the urban areas than in rural and high cost areas of the state. The designation of wireless ETCs would allow some South Carolina consumers in rural and high-cost areas to have access to this technology for the first time.

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<sup>6</sup> See the Universal Service Administrative Company ("USAC") First Quarter 2006 high cost disbursement appendices.

<sup>7</sup> Universal Service Order at ¶18.

### Expanded Lifeline Availability

An important benefit to consumers that results from providing ETC status to wireless service providers is the availability of wireless Life-line service. Without designation as an ETC, wireless providers cannot offer Lifeline services to consumers. Traditional wireline Lifeline plans are very beneficial to many consumers. However, there are also many low income consumers, whose communications needs are not met by wireline service. Wireless Lifeline plans are a very important potential benefit to mobile low-income consumers and cannot be made available to them if wireless ETC designations are not granted.

### Economic Development

Another benefit relates to economic development in rural areas of the state. Elected officials and economic development directors around the country have indicated that the lack of sufficient wireless services in rural areas makes it difficult to attract employers to these areas. By designating competitive ETCs in South Carolina, the Commission can aid economic development opportunities for rural communities in South Carolina by designating competitive providers as ETCs, eligible to receive the federal USF support needed to improve and expand their networks in these communities.

### Health and Safety Benefits

Health and safety benefits provided by wireless networks are especially important in rural areas. When a driver is stranded on a road at night with car trouble, wireless

service is a very valuable safety tool. Similar benefits accrue to others in rural areas, including farmers working in their fields, hunters, hikers, fishermen, etc. The availability of wireless service in remote areas is a very important safety issue when emergency situations arise. The FCC has found that the availability of wireless universal service “provides access to emergency services that can mitigate the unique risks of geographic isolation associated with living in rural communities.”<sup>8</sup> Without the designation of wireless ETCs in South Carolina, the expansion of wireless service in these areas will be significantly delayed or denied because providing such service without universal support is simply not economically feasible. The citizens of those states who have already designated competitive ETCs are presently enjoying these benefits. The citizens of South Carolina deserve to have these benefits made available to them as well. The Commission can bring these benefits to South Carolina by designating qualified service providers as ETCs.

The National Telecommunications Cooperative Association (“NTCA”) also recently discussed the essential safety benefits of wireless service in its 2004 Rural Youth Telecommunications Survey:

An astonishing 86% of survey respondents said they have their own wireless phone, leaving only 14% without. This penetration rate among rural teens, which is significantly higher than estimations for the youth market on a national level, most likely is attributed to the safety and convenience issues associated with life in small towns. While statistics show that the crime rates in small towns typically are lower than those in urban areas, safety still is a major concern due to the spread-out nature of rural communities, the long distances traveled to go to school or sports activities, and the steady decline of payphones in small communities. When a teen becomes stranded with a flat tire on a rural road at night, a personal, mobile communication device is

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<sup>8</sup> *Virginia Cellular*, ¶ 29.



more than a convenience. It is a safety tool. The fear of scenarios such as this provides much of the push behind wireless penetration in rural youth markets. For this reason, a mobile wireless device increasingly is seen as more of a necessity than a luxury in rural America.

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One might think that teens provide the impetus for subscribing to wireless telephone service. However, further investigation reveals that many don't even have to ask for the phone, but instead are offered the device by their parents, as 60% of survey takers indicated that their parent or guardian pays for the service. Safety issues and the desire to "keep in touch" were the prime motivating factors behind the parental purchases of wireless service.<sup>9</sup>

And in its 2005 *Rural Youth Telecommunications Survey*, the NTCA found:

According to survey respondents, personal safety and peace of mind are important factors driving cellular phone usage. The most commonly cited reason for cellular phone ownership is staying in touch with parents/guardians and vice versa. The second most commonly cited reason is safety concerns/emergency use; the third is to stay in touch with friends; and the fourth is for job related reasons. Fifty-six percent say that having a cellular phone for personal safety is equally as important as staying in touch with family and friends, 21% say it is more important than staying in touch with family and friends, 14% say it is less important than staying in touch with family and friends. Only 9% say that personal safety is not a concern.<sup>10</sup>

### Rural and Urban Parity

Designation of competitive ETCs will further one of the primary objectives of the federal USF by promoting rural and urban parity in the availability and price of telecommunications services. By expanding and improving their rural networks,

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<sup>9</sup> NTCA 2004 *Rural Youth Telecommunications Survey*, pp. 2 & 5 (emphasis added).

<sup>10</sup> NTCA 2005 *Rural Youth Telecommunications Survey*, p. 5 (emphasis added).

competitive ETCs will provide consumers in rural and high cost service areas with basic and enhanced services comparable to those provided in urban areas. These services include Voicemail, Call Waiting, Call Forwarding, Caller ID, Three-way Calling, Text Messaging, Enhanced Directory Assistance, Wireless Data Services, GPS-enabled E911, access to 24-hour emergency roadside assistance, etc. Alltel deploys an advanced technology platform that is fully compatible with facilitating the availability of enhanced telecommunications and information services. Alltel's ability to provide enhanced services is already significant, but would be made available to a broader base of consumers in rural and high cost areas if Alltel could obtain designation as a ETC for federal USF support in South Carolina.

Alltel desires to provide rural consumers with the same services at the same prices we provide in urban areas. However, it is difficult to accomplish this in high cost areas without USF support. The simple economic facts are that the lower customer densities in rural areas result in lower revenues that often won't cover the economic costs of providing those services in rural areas without universal service support. Access to universal service support will assist wireless carriers in improving coverage and availability of services in rural areas to levels that customers enjoy in larger urban markets.

#### *Effect on USF Support for South Carolina*

Designation of competitive ETCs would have a positive effect on the availability of universal service funding for South Carolina.

Designation of competitive ETCs in South Carolina would not result in any loss of support for the Incumbent Local Exchange Carriers ("ILECs"). Unlike competitive ETCs, who begin to receive support only when they begin to serve a particular customer and lose that support if that customer leaves the network, an ILEC's support is determined based on the ILEC's cost of providing the network and does not diminish when a customer changes to another provider.

The federal universal service program was designed to shift support from large urban markets to rural, high cost areas. Federal universal service funding provided to competitive ETCs makes a significant difference in the infrastructure investment and service improvements made possible in rural areas. While the customers of all service providers, including competitive providers, pay equivalent amounts to fund the federal USF, customers of competitive providers do not receive any of the benefits of federal USF support in states like South Carolina that have not designated qualified competitive providers as ETCs. For example, the customers of Alltel in South Carolina pay approximately \$ 7,000,000 per year to fund the federal USF but do not presently receive the benefits of USF support. USF funds are used to provide support to ETCs who then benefit consumers through expanded service availability and improved service quality.

Other state commissions have used the federal universal service program to generate additional investments and service improvements that will provide significant benefits to consumers in rural areas of their states. Because designation of competitive ETCs will have no effect on the availability of universal service funds to ILECs, and a positive effect on the availability of universal service funds to competitive ETCs for the

benefit of South Carolina consumers, the Commission should grant ETC status to additional qualified service providers in South Carolina.

Consumers in South Carolina are providing their fair share of funding into the federal universal service fund, but are not receiving their fair share of universal service benefits. The following chart was developed using data from the Universal Service Administrative Company's ("USAC") second quarter, 2006 projection of high cost universal service support by carrier filed with the FCC.

<b>Annual Federal USF High Cost Support for Competitive ETCs</b>			
Mississippi	\$122,347,125	Georgia	\$7,526,928
Puerto Rico	\$97,737,756	Guam	\$7,346,676
Kansas	\$57,399,264	North Carolina	\$7,183,440
Wisconsin	\$49,709,940	Montana	\$7,176,753
Louisiana	\$41,153,052	Nevada	\$6,433,500
North Dakota	\$37,279,896	Vermont	\$5,797,281
Arkansas	\$37,020,120	New York	\$5,086,140
Minnesota	\$36,535,452	Maine	\$3,689,780
Washington	\$33,227,580	Indiana	\$3,458,532
Iowa	\$32,824,164	Pennsylvania	\$2,056,992
South Dakota	\$27,054,204	Tennessee	\$1,516,656
Alaska	\$26,239,140	Nebraska	\$1,224,166
Kentucky	\$19,071,560	Micronesia	\$256,344
Hawaii	\$18,020,664	California	\$130,380
Wyoming	\$16,712,400	Missouri	\$125,448
Arizona	\$15,618,204	Connecticut	\$0
Alabama	\$15,035,379	Delaware	\$0
Oklahoma	\$14,883,180	Idaho	\$0
Michigan	\$14,377,584	Illinois	\$0
Virginia	\$14,213,088	Maryland	\$0
Texas	\$10,284,180	Massachusetts	\$0
Oregon	\$9,861,564	New Hampshire	\$0
New Mexico	\$9,533,844	New Jersey	\$0
Florida	\$9,018,420	Ohio	\$0
West Virginia	\$8,467,960	Rhode Island	\$0
Colorado	\$8,347,260	South Carolina	\$0
		Utah	\$0
		Totals	<u>\$840,981,996</u>

Note: All amounts derived from Q2 06 USAC HCF projections.

This chart reflects the annualization of the support projected to be provided to *competitive* providers in each state or territory for the second quarter of 2006.

As shown on this chart, customers of competitive providers in states and territories including Mississippi, Puerto Rico, Kansas, Wisconsin, Louisiana, North Dakota, Arkansas, Minnesota, etc. are receiving significant benefits associated with the payments they make to support the federal USF and from the payments that consumers make in other states including South Carolina. Consumers in South Carolina, where no competitive providers have been designated as ETCs, presently receive no universal service benefits from competitive providers. From the list of states that presently receive no competitive USF support, both Idaho and Utah have designated competitive ETCs.

South Carolina consumers deserve to enjoy the same universal service benefits that consumers in other states enjoy today. The Commission can bring these benefits to South Carolina consumers by designating qualified competitive ETCs.

**The Commission Should Adopt Regulations that Mirror the Federal  
Regulations with Limited Exceptions**

*Federal Regulations*

The FCC adopted new requirements for telecommunications carriers to meet in order to be designated as an ETC in its Universal Service Order released on March 17, 2005. The FCC described the purpose of the order as follows:

This Report and Order addresses the minimum requirements for a telecommunications carrier to be designated as an “eligible telecommunications carrier” or “ETC,” and thus eligible to receive federal universal service support. Specifically, consistent with the recommendations of the Federal-State Joint Board on Universal Service (Joint Board), we adopt additional mandatory requirements for ETC designation proceedings in which the Commission acts pursuant to section 214(e)(6) of the Communications Act of 1934, as amended (the Act).<sup>11</sup> In addition, as recommended by the Joint Board, we encourage states that exercise jurisdiction over ETC designations pursuant to section 214(e)(2) of the Act, to adopt these requirements when deciding whether a common carrier should be designated as an ETC.<sup>12</sup> We believe that application of these additional requirements by the Commission and state commissions will allow for a more predictable ETC designation process.<sup>13</sup>

The Universal Service Order is the result of an exhaustive investigation undertaken by the Joint Board wherein the Joint Board held public hearings and received significant input from service providers, consumer representatives, and state and federal regulators. This input was critical to develop a comprehensive recommendation regarding ETC matters for consideration by the FCC. Subsequent to the filing of the Joint Board’s

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<sup>11</sup>47 U.S.C. § 214(e)(6). Section 214(e)(6) of the Act directs the Commission to designate carriers when those carriers are not subject to the jurisdiction of a state commission.

<sup>12</sup> 47 U.S.C. § 214(e)(2). Section 214(e)(2) of the Act provides state commissions with the primary responsibility for designating ETCs.

recommendation, the FCC received additional comments from a broad range of parties that were considered by the FCC in reaching its March 17, 2005, Report and Order.

The result of these extensive national efforts is a highly debated, thoughtfully considered set of comprehensive rules adopted by the FCC for use in designating and certifying ETCs. The FCC encouraged states that exercise jurisdiction over ETC designations to adopt the requirements of the Universal Service Order.<sup>14</sup> The FCC emphasized that application of a common set of requirements by the FCC and state commissions will provide a more predictable designation process and improve the sustainability of the universal service fund.<sup>15</sup>

Alltel agrees with the FCC's statements. While the Universal Service Order does not resolve all issues in the exact manner that Alltel would have preferred, the Universal Service Order provides a mechanism that, if applied uniformly to ETCs, will achieve the objectives of universal service envisioned by the Telecom Act in a sufficient and sustainable manner. Alltel encourages the Commission to adopt the standards provided in the Universal Service Order and to refrain from adopting other state specific standards that may not be consistent with the national standards. Should the Commission adopt different standards for South Carolina state designations, then Alltel and other national and regional competitive providers would be subject to different and potentially conflicting standards for operations within the state of South Carolina than for operations in other states, thereby creating obvious inefficiencies and unnecessary additional costs.

Uniform standards will serve to bring efficiency and predictability to the ETC process and will therefore benefit consumers. Alltel is subject to the FCC's rules in those

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<sup>13</sup> Universal Service Order at ¶ 1.

<sup>14</sup> Universal Service Order at ¶ 2.

states where it has been designated as an ETC by the FCC (Alabama, Florida, Georgia, North Carolina, Virginia). Other states that have designated Alltel as an ETC have adopted the FCC rules (New Mexico, Minnesota, Michigan, Nebraska, West Virginia, Wyoming) or are presently considering adopting them (Mississippi, Louisiana, Texas, South Dakota, North Dakota, Wisconsin, Iowa, Kansas). Adopting the FCC rules will allow South Carolina to remain consistent with the FCC designation process and with the designation processes of many other states.

These FCC rules<sup>16</sup> are comprehensive and are the result of significant national debate and analysis. These rules should be given time to demonstrate their effectiveness. Alltel agrees with the FCC's efforts to encourage states to adopt the requirements contained in the Universal Service Order rather than state specific requirements that would add unnecessary complexity to an already complex process. Alltel encourages the Commission to adopt these standards, with one exception, for use in South Carolina.

#### Exception to the Federal Standards

Alltel advocates that the Commission adopt the requirements of the FCC rather than state specific requirements in order to bring uniformity to ETC designation and certification processes while ensuring that consumers receive the benefits of universal service envisioned by the Act. However, in the case of the required service improvement plan, a modification to require a two-year plan rather than a five-year will accomplish the same objective in a more efficient manner. In the course of normal business, capital budgeting is simply not developed at any significant level of detail for a five-year period.

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<sup>15</sup>Universal Service Order at ¶¶1 and 2.



The last three years of any five-year plan would be little more than a broad guess as to what will actually be implemented for the those years.

The FCC's five-year service improvement plan requirement is presently subject to a petition for reconsideration. On June 24, 2005, the CTIA filed a Petition for Reconsideration with the FCC in CC Docket 96-45, asking that the FCC replace the five-year planning requirement with a twelve to eighteen month plan. In its petition the CTIA stated, "Wireless carriers face too many variables to accurately and predictably project or plan their network improvements for five years in the future. Moreover, the variables are often outside the control of the wireless carrier. Technological innovations and changing customer needs require carriers to constantly update their plans. Population patterns change, affecting where improvements in the network are needed." Alltel agrees with CTIA. Five-year plans are not realistic for any American business and especially not for telecommunications providers because of the rapidly changing marketplace and the rapid evolution of new technologies. Any attempt to develop a network plan beyond an eighteen to twenty-four month window is extremely unreliable. Market conditions and technology are changing so rapidly that any plans beyond this window are certain to change greatly. Alltel believes that the Commission would be better served and that carriers will be able to provide more useful information if this requirement is modified to require, at most, a two-year build out plan rather than a five-year plan. Other states, including California, Colorado, Minnesota, Mississippi, South Dakota and Wyoming, have recognized this and adopted shorter service improvement plans.

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<sup>16</sup> See 47 C.F.R. Part 54.

Under a two-year plan requirement, data for the latter years of a five-year plan would be provided as part of subsequent two-year plans, when it is more reflective of actual expenditures. The Commission would still receive build out information well in advance of the actual expenditures, but at a time when the provided information is more accurate. Alltel requests that the Commission establish a two-year service improvement plan requirement rather than a five-year requirement. Alltel believes that a two-year plan will provide the Commission with all of the meaningful information it needs to ensure that each ETC's service improvement plan is in compliance with all applicable requirements.

### **Conclusion**

Alltel appreciates the Commission's interest in resolving this very important issue for South Carolina consumers. Through these comments, Alltel demonstrates that there are many benefits the Commission can make available to consumers by designating qualified competitive ETCs. These benefits include expanded mobility of communications, larger local calling areas, broader consumer choice of providers and services, the availability of wireless Life-line services, enhanced rural economic development, significant health and safety benefits, and service and pricing in rural areas that are comparable to those available in urban areas.

Customers of competitive providers in South Carolina are paying their fair share into the federal universal service fund, but are not receiving their fair share of benefits in return. This can be remedied by the Commission when it designates competitive

providers as ETCs, thereby permitting the flow of Federal USF support to them for use in improving their networks and services in high cost areas.

Alltel also demonstrates that the designation and certification rules adopted by the FCC in its Universal Service Order are the appropriate rules for adoption by the Commission, with one modification. The FCC developed these rules following extensive study of input provided by the Federal State Joint Board on Universal Service, consumers, service providers, and regulators. The FCC encouraged states that exercise jurisdiction over ETC designations to adopt these same requirements, noting that application of a common set of requirements by the FCC and the states will provide a more predictable designation process and improve the sustainability of the universal service fund.

Alltel proposes that the commission adopt one modification to the FCC rules. That modification is to require ETCs to annually provide a two-year service improvement plan, rather than the five-year plan adopted by the FCC. The five-year plan requirement is presently subject to a request for reconsideration at the FCC and simply does not match up with the budget and planning processes of ETCs in today's rapidly changing world of telecommunications technology.

The Commission has a great opportunity to benefit consumers in rural areas of South Carolina by designating qualified competitive providers as ETCs. Alltel looks forward to working with the Commission to accomplish this as the proceeding advances.